



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

NOV 19 2008

COMPTROLLER'S MEMORANDUM NO. 2008-18

TO: All Department Heads

SUBJECT: Early Cancellation of 2008 Claims Encumbrances

This is a reminder that all inactive operating funds claims encumbrances recorded as of June 30, 2008, will be cancelled and the related appropriation balances lapsed, if the encumbrances have not been expended by the close of December 2008. To meet this deadline, all expenditure vouchers containing payments against prior year encumbrances must be received by DAGS Accounting Division's pre-audit branch on or before December 26, 2008. This early cancellation process is applicable only to operating funds (general, special, federal, revolving and trust) expended by the executive branch unless otherwise provided by law.

An encumbrance will be considered active and will be automatically extended if it meets both of the following conditions:

1. Last activity date of the encumbrance is after August 1, 2008.
2. Total payment against the encumbrance is more than 50% of the encumbrance.

Any claims encumbrance not meeting both conditions as of December 26, 2008 will be considered inactive and will be cancelled. The Department of Education is exempt because carryover provisions provided under general law conflict with the cancellation requirement.

Encumbrances that are paid by journal vouchers using transaction code 804 will not be automatically extended even if both conditions are met. Departments must therefore request an extension for these encumbrances.

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Extension requests must also be submitted for federal and trust fund encumbrances that do not meet both conditions above, but whose conditions of funding prohibit cancellation of the encumbrances.

Please submit all extension requests to me through DAGS Accounting Division by December 15, 2008. The encumbrance list you attach to your request shall be in numerical order by fund, followed by the appropriation symbol, purchase order number or encumbrance advice number (blanket) and applicable suffix number, vendor name, and the unliquidated encumbrance balance.

The enclosed approved/disapproved signature sections must also be included in your extension request.

If you have any questions, please call Mr. Glenn Miyashiro of our Accounting Division at 586-0599.



RUSS K. SAITO
State Comptroller

Enclosure

☐ APPROVED

☐ DISAPPROVED

WAYNE M. HORIE, DAGS Accounting Division Administrator

Dated: _____

☐ APPROVED

☐ DISAPPROVED

RUSS K. SAITO, State Comptroller

Dated: _____

Enclosure